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HOUSE BILL 615

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO TAXATION; PROVIDING THAT CERTAIN RECEIPTS BE  
DISTRIBUTED TO THE SOLE COMMUNITY PROVIDER FUND; DECLARING AN  
EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.13 NMSA 1978 (being Laws 1983,  
Chapter 211, Section 18, as amended) is amended to read:

"7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION  
GROSS RECEIPTS TAXES.--

A. Except as provided in Subsections B and C of  
this section, a transfer pursuant to Section 7-1-6.1 NMSA 1978  
shall be made to each county for which the department is  
collecting a local option gross receipts tax imposed by that  
county in an amount, subject to any increase or decrease made  
pursuant to Section 7-1-6.15 NMSA 1978, equal to the net

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1 receipts attributable to the local option gross receipts tax  
2 imposed by that county, less any deduction for administrative  
3 cost determined and made by the department pursuant to the  
4 provisions of the act authorizing imposition by that county of  
5 the local option gross receipts tax and any additional  
6 administrative fee withheld pursuant to Subsection C of Section  
7 7-1-6.41 NMSA 1978.

8 B. A transfer pursuant to this section may be  
9 adjusted for a distribution made to a tax increment development  
10 district with respect to a portion of a gross receipts tax  
11 increment dedicated by a county pursuant to the Tax Increment  
12 for Development Act.

13 C. A distribution pursuant to Section 7-1-6.1 NMSA  
14 1978 shall be made from revenue attributable to the second one-  
15 eighth increment of the county gross receipts tax imposed by a  
16 county pursuant to Section 7-20E-9 NMSA 1978 to the sole  
17 community provider fund in an amount equal to the county's  
18 approved contribution for support of sole community provider  
19 payments as calculated by the human services department for  
20 that county. Revenue in excess of the amount approved for the  
21 match shall be transferred to the county pursuant to the  
22 provisions of Subsection A of this section."

23 Section 2. Section 7-20E-7 NMSA 1978 (being Laws 1993,  
24 Chapter 354, Section 7, as amended) is amended to read:

25 "7-20E-7. COLLECTION BY DEPARTMENT--TRANSFER OF

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1 PROCEEDS--DEDUCTIONS.--

2 A. The department shall collect each tax imposed  
3 pursuant to the provisions of the County Local Option Gross  
4 Receipts Taxes Act in the same manner and at the same time it  
5 collects the state gross receipts tax.

6 B. The department shall withhold an administrative  
7 fee pursuant to Section [~~1 of this 1997 act~~] 7-1-6.41 NMSA  
8 1978. Except as provided in Subsection C of this section, the  
9 department shall transfer to each county for which it is  
10 collecting a tax pursuant to the provisions of the County Local  
11 Option Gross Receipts Taxes Act the amount of each tax  
12 collected for that county, less the administrative fee withheld  
13 and less any disbursements for tax credits, refunds and the  
14 payment of interest applicable to the tax. The transfer to the  
15 county shall be made within the month following the month in  
16 which the tax is collected.

17 C. With respect to the county gross receipts tax  
18 imposed pursuant to Section 7-20E-9 NMSA 1978, the department  
19 shall distribute the revenue from imposition by a county of the  
20 second one-eighth increment of the county gross receipts tax to  
21 the sole community provider fund in an amount equal to the  
22 county's approved contribution for support of sole community  
23 provider payments as calculated by the human services  
24 department for that county. Revenue in excess of the amount  
25 approved for the match shall be transferred to the county

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1 pursuant to the provisions of Subsection B of this section."

2 Section 3. Section 7-20E-9 NMSA 1978 (being Laws 1983,  
3 Chapter 213, Section 30, as amended) is amended to read:

4 "7-20E-9. COUNTY GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE  
5 RATE--INDIGENT FUND REQUIREMENTS.--

6 A. A majority of the members of the governing body  
7 of a county may enact an ordinance imposing an excise tax not  
8 to exceed a rate of seven-sixteenths percent of the gross  
9 receipts of any person engaging in business in the county for  
10 the privilege of engaging in business in the county. An  
11 ordinance imposing an excise tax pursuant to this section shall  
12 impose the tax in three independent increments of one-eighth  
13 percent and one independent increment of one-sixteenth percent,  
14 which shall be separately denominated as "the first one-eighth  
15 increment", "the second one-eighth increment", "the third one-  
16 eighth increment" and "the one-sixteenth increment",  
17 respectively, not to exceed an aggregate amount of seven-  
18 sixteenths percent.

19 B. The tax authorized in Subsection A of this  
20 section is to be referred to as the "county gross receipts  
21 tax".

22 C. A class A county with a county hospital operated  
23 and maintained pursuant to a lease with a state educational  
24 institution named in Article 12, Section 11 of the constitution  
25 of New Mexico enacting the second one-eighth increment of

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1 county gross receipts tax shall provide, each year that the tax  
2 is in effect, not less than one million dollars (\$1,000,000) in  
3 funds, and that amount shall be dedicated to the support of  
4 indigent patients who are residents of that county. Funds for  
5 indigent care shall be made available each month of each year  
6 the tax is in effect in an amount not less than eighty-three  
7 thousand three hundred thirty-three dollars thirty-three cents  
8 (\$83,333.33). The interest from the investment of county funds  
9 for indigent care may be used for other assistance to indigent  
10 persons, not to exceed twenty thousand dollars (\$20,000) for  
11 all other assistance in any year.

12 D. A county, except a class A county with a county  
13 hospital operated and maintained pursuant to a lease with a  
14 state educational institution named in Article 12, Section 11  
15 of the constitution of New Mexico, imposing the second  
16 one-eighth increment of county gross receipts tax shall be  
17 required to dedicate the entire amount of revenue produced by  
18 the imposition of the second one-eighth increment for the  
19 support of indigent patients who are residents of that county.  
20 The revenue produced by the imposition of the third one-eighth  
21 increment and the one-sixteenth increment may be used for  
22 general purposes. Any county that has imposed the second one-  
23 eighth increment or the third one-eighth increment, or both, on  
24 January 1, 1996 for support of indigent patients in the county  
25 or after January 1, 1996 imposes the second one-eighth

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1 increment or imposes the third one-eighth increment and  
2 dedicates one-half of that increment for county indigent  
3 patient purposes shall deposit the revenue dedicated for county  
4 indigent purposes that is transferred to the county after the  
5 distribution pursuant to Subsection C of Section 7-1-6.13 and  
6 Subsection C of Section 7-20E-7 NMSA 1978 in the county  
7 indigent hospital claims fund and such revenues shall be  
8 expended pursuant to the Indigent Hospital and County Health  
9 Care Act."

10 Section 4. EMERGENCY.--It is necessary for the public  
11 peace, health and safety that this act take effect immediately.

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